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14 CoStar Group, Inc. and CoStar Realty Information, Inc.

15
16 IN THE UNITED STATES DISTRICT COURT
17 FOR THE CENTRAL DISTRICT OF CALIFORNIA

18 CoSTAR GROUP, INC. AND CoSTAR REALTY
19 INFORMATION, INC.

20 Plaintiffs,

21 v.

22 NEGOTIATELEASE.COM, INC. AND JOON LEE,

23 Defendants.

Case No.:

COMPLAINT FOR:

- (1) **COMPUTER FRAUD AND ABUSE ACT, 18 U.S.C. § 1030;**
(2) **CALIFORNIA COMPUTER DATA ACCESS & FRAUD ACT, PENAL CODE § 502;**
(3) **COPYRIGHT INFRINGEMENT, 17 U.S.C. § 101 ET SEQ.;**
(4) **FRAUD;**
(5) **BREACH OF CONTRACT; AND**
(6) **UNJUST ENRICHMENT**

JURY TRIAL DEMANDED

COMPLAINT

1. Plaintiffs CoStar Group, Inc., a public company, and CoStar Realty Information, Inc., its wholly owned subsidiary, together constitute the nation’s leading provider of commercial real estate information, and operate the most comprehensive commercial real estate information database available in the world. Plaintiffs are referred to together as “CoStar.”

2. CoStar brings this case against Defendants NegotiateLease.com, Inc. and Joon Lee (together, “Defendants”) to redress unauthorized access to, and use of, CoStar’s subscription database, and to protect CoStar’s intellectual property. Lee, who represents that he is the President and Chief Executive Officer of NegotiateLease.com, engaged in fraud in order to steal access to CoStar’s database and swipe its proprietary information for profit. Both Lee and NegotiateLease.com benefited from Lee’s unlawful conduct.

3. CoStar contacted Lee to resolve this lawsuit without litigation. Not only did Lee rebuff CoStar’s efforts, he found a new way to steal CoStar’s proprietary information, roping in a new accomplice to continue the theft.

4. Lee represents that he and NegotiateLease.com, a California corporation and commercial real estate brokerage firm, specialize in tenant representation in southern California.¹

5. Lee also serves as NegotiateLease.com’s Secretary, Chief Financial Officer, and Director. NegotiateLease.com has no other officers or directors.

6. Defendants’ “mission” is to “successfully negotiate lease [sic] by utilizing the highest level of market knowledge, negotiation techniques and broker experiences of our professionals to procure the most advantageous ‘Pro-Tenant Lease’ for you.”²

7. As CoStar is the nation’s leading provider of commercial real estate information, Defendants are necessarily interested in the comprehensive information CoStar maintains on a

¹ Available at <http://negotiatelease.com/> (last accessed Oct. 3, 2018).

² *Id.*

1 variety of different properties throughout the country, including office, industrial, and retail
2 properties located in Southern California. Such information, along with information about
3 millions of other commercial properties across the United States, is maintained in CoStar's
4 subscription database. Access to the database is made available to subscribers for a monthly fee.

5 8. Defendants are more than familiar with the valuable services CoStar offers to its
6 subscribers. Indeed, NegotiateLease.com is a former CoStar customer, having entered into a
7 CoStar License Agreement in 2012, which provided for one authorized user, Lee. Lee was also
8 designated as NegotiateLease.com's contact person for billing purposes. Under the License
9 Agreement, Defendants had access to CoStar's comprehensive commercial real estate
10 information database and, on information and belief, regularly used that information in support
11 of their business.

12 9. In 2013, however, NegotiateLease.com canceled its subscription to CoStar's
13 database. CoStar contacted Lee on several occasions to see if NegotiateLease.com would be
14 interested in renewing its subscription. He consistently told CoStar that although
15 NegotiateLease.com was interested in CoStar's database, it did not want to spend the money to
16 re-subscribe.

17 10. It is now clear that Defendants had made alternative (fraudulent) arrangements to
18 access CoStar's valuable database for free.

19 11. Rather than pay to subscribe for CoStar's services, Defendants decided to steal
20 them. Lee obtained usernames and passwords from authorized subscribers to CoStar's database
21 and then surreptitiously used those credentials to gain access to CoStar's database.

22 12. Once inside CoStar's database, Lee accessed and downloaded content pertaining
23 to California retail properties, including CoStar's copyrighted photographs.

24 13. CoStar eventually discovered that Defendants accessed the database using
25 credentials assigned to Frank Chang of AMCAL Multi-Housing Inc., an authorized CoStar
26 subscriber located in Southern California. The facts are indisputable and damning: Chang
27 provided CoStar with a sworn declaration confirming that he had shared his CoStar credentials
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1 with Lee and that he was aware that such conduct was improper (attached as Exhibit A).

2 14. In response, CoStar took immediate action to prevent Defendants from using
3 Chang's credentials and warned Lee that his actions violated state and federal statutes and the
4 common law.

5 15. Not only did Lee ignore CoStar's warnings, he doubled down on his theft by
6 obtaining the credentials of Nina Moon at Keller Williams Realty Mid-Wilshire, another CoStar
7 subscriber located in southern California. Once again, CoStar took immediate action to prevent
8 Lee from using Moon's credentials.

9 16. Lee and NegotiateLease.com used the content they unlawfully procured from
10 CoStar's database for their own benefit and their business purposes as well. Indeed, given
11 Defendants' profession, the information in CoStar's database would permit them to generate
12 profits for themselves and service actual or potential clients.

13 17. Defendants' free-riding on two authorized user's licenses caused financial harm to
14 CoStar and to its paying subscribers and violated state and federal statutes precluding individuals
15 from unlawfully accessing and using CoStar's database, and infringed copyrighted works by
16 printing and downloading copyrighted content. In addition to these statutory violations,
17 Defendants engaged in common-law fraud and breached the Terms of Use for CoStar's database.

18 18. As a consequence of Defendants' unlawful actions, CoStar is entitled to damages
19 and/or disgorgement of Defendants' profits derived from their misconduct, as well as injunctive
20 relief to prevent continued irreparable harm to its business.

21 * * * * *

22 19. CoStar employs more than three thousand people in the United States and, as a
23 result of their diligent efforts—and the investment of nearly five billion dollars over the last
24 thirty-plus years—CoStar has developed the most comprehensive commercial real estate
25 information database available in the world.

26 20. This subscription database contains copyrighted photographs of, and
27 professionally researched information about, commercial properties across the country. The
28

1 database has well over a hundred thousand subscribers, including all of the leading commercial
2 real estate brokerages in the United States, as well as a significant number of smaller brokerages,
3 property owners, banks, retailers, real estate investment trusts, and other professionals. The
4 subscription database also counts a number of federal, state, and local government entities and
5 agencies as its users.

6 21. CoStar generates and updates the database's content at a cost of over \$600 million
7 each year. Nearly thirteen thousand CoStar researchers have contributed to the subscription
8 database since its creation, adding information about nearly five million properties, taking over
9 twelve million photographs, and driving and flying over two million miles per year. Researchers
10 collect this information through various means, including through in-person site inspections and
11 targeted calls to individual commercial real estate owners, developers, and brokers.

12 22. While the subscription database provides exceptional benefits to CoStar's paying
13 customers, it also has a positive impact on consumer welfare in the larger commercial real estate
14 ecosystem. CoStar's subscription database provides greater transparency in the form of readily
15 available, professionally researched, and regularly updated commercial real estate information.
16 The existence of this information has made traditional commercial real estate transactions more
17 efficient, and has also facilitated a more diverse range of commercial real estate deals. The net
18 result is greater liquidity and significantly mitigated risk in one of the world's most valuable and
19 important asset classes: commercial real estate.

20 23. The important role that CoStar plays in the commercial real estate market is
21 demonstrated by the extent to which its users interact with the service. Each day, users conduct
22 nearly nine million searches for commercial real estate on CoStar products, including its
23 subscription database. CoStar estimates that its products play a part in supporting one trillion
24 dollars of commercial real estate leases, sales, and mortgage originations in the United States
25 each year.

26 24. CoStar licenses its subscription database content for a monthly fee. Those fees,
27 which vary according to the scope of access a user seeks, generate significant revenue for CoStar

1 and enable it to employ thousands of people for, and invest billions of dollars in, research and
2 product enhancements. The stealing of access to CoStar presents a major threat to the ongoing
3 viability of CoStar's products.

4 25. Because the contents of the subscription database—including CoStar's
5 photographs and professionally researched data—are central to its business, CoStar regularly
6 registers its photographs with the United States Copyright Office and protects its proprietary data
7 both through technological means and contractually-binding agreements to which anyone who
8 accesses its databases assents. For example, CoStar contractually prohibits customers from
9 sharing passwords, and employs password authentication modes that vary according to risk,
10 firewalls, and anti-hacking software to limit access and manipulation of its data.

11 26. As former customers of CoStar, Defendants were fully aware of the contractual
12 obligations CoStar requires of its customers, as well as the extraordinary steps CoStar takes to
13 protect its subscription database.

14 **THE PARTIES**

15 27. CoStar Group is a corporation organized and existing under Delaware law with its
16 principal place of business and corporate office located at 1331 L Street, N.W., Washington,
17 District of Columbia 20005.

18 28. CoStar Realty Information is a corporation organized and existing under
19 Delaware law with its principal place of business and corporate office located at 1331 L Street,
20 N.W., Washington, District of Columbia 20005. It is a wholly owned subsidiary of CoStar
21 Group.

22 29. Lee is domiciled in California and, on information and belief, resides at 11660
23 Church Street Apt. 494, Rancho Cucamonga, California 91730.

24 30. NegotiateLease.com is a corporation organized and existing under California law,
25 and, on information and belief, its principal place of business is 530 South Manhattan Place
26 #305, Los Angeles, California 90020.

JURISDICTION AND VENUE

31. The Court has federal question jurisdiction over this action under 28 U.S.C. § 1331 because this action alleges violations of the Computer Fraud and Abuse Act, 18 U.S.C. § 1030 and the Copyright Act, 17 U.S.C. § 101 *et seq.* The Court has supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367 because these claims arise from a common nucleus of operative facts.

32. The Court has personal jurisdiction over Lee because, among other reasons, he resides in California and CoStar's claims arise from and relate to business Lee transacted in California. The Court has personal jurisdiction over NegotiateLease.com because, among other reasons, its principal place of business is California.

33. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c) and 1400(a) because a Defendants reside in this judicial district and a substantial part of the events or omissions giving rise to CoStar's claims occurred in this judicial district.

FACTUAL ALLEGATIONS

I. Lee Knowingly and Intentionally Gained Unauthorized Access to CoStar's Subscription Database by Acquiring the Credentials of Two CoStar Subscribers.

34. One of the many paying subscribers to CoStar's database is AMCAL, a multi-family developer in southern California. AMCAL has a license agreement with CoStar that allows thirteen of AMCAL's employees to access CoStar's database. One of AMCAL's employees who is authorized to access CoStar's database is Frank Chang. (Ex. A.)

35. As one of AMCAL's licensed, and thus authorized users, Chang received a username and password so he could log into CoStar's database. Although Chang understood that CoStar's "Terms of Use [] prevent an authorized user from sharing his or her credentials with an authorized user," Chang nevertheless "provided [his] account credentials to [his] personal friend, Mr. Joon Lee, who works at NegotiateLease.com." (Ex. A.)

36. Starting in or around December 2017, if not earlier, Lee logged into CoStar's database using Chang's account—no fewer than 23 times, and possibly more—in order to use

1 CoStar's content for Defendants' benefit, and for the benefit of their clients.

2 37. Not only did Chang confirm under oath to CoStar that Lee was accessing its
3 database using his credentials, CoStar's own research uncovered a wealth of evidence that
4 supported Chang's testimony and reinforced its conclusion that Defendants were accessing
5 CoStar's proprietary information without payment.

6 38. CoStar determined that Lee was logging into CoStar's database from a device
7 associated with an IP address that was not affiliated with Chang, even though the login
8 credentials were those of Chang's. The device and IP address instead were affiliated with Lee,
9 who was not (and is not) an authorized user.

10 39. CoStar also was able to identify Lee's fraudulent conduct based on the fact that
11 Chang and Lee had significantly different search activities. When Chang logged into the
12 database from his IP address, his search activity was limited to multi-family properties and land.
13 By contrast, when Lee logged into CoStar's database using Chang's credentials, he searched
14 almost exclusively for retail properties and sometimes printed his search results; the printed
15 results included CoStar's copyright-protected content.

16 40. Even after CoStar took steps to prevent Lee from using Chang's credentials to
17 access its database, Lee found a new way to steal from CoStar, underscoring the willfulness of
18 his misconduct. A little more than two months after CoStar sent a letter to Lee telling him to
19 cease and desist all unlawful conduct, Lee resumed logging into CoStar's database without
20 authorization or payment. This time, he used credentials assigned to a different CoStar
21 subscriber—Nina Moon, an employee of Keller Williams Realty Mid-Wilshire—doing so no
22 fewer than twelve times, and possibly more.

23 41. Once again, with the benefit of the various anti-piracy tools at its disposal, CoStar
24 determined that Moon's credentials were accessing CoStar through an IP address affiliated with
25 Lee. At the time Lee used Moon's login credentials he was not (and still is not) an authorized
26 user.

27 ///

42. Every individual who seeks to access CoStar's database is directed to "Log In with **your** current CoStar username and password." (Emphasis added.) In response to this prompt, Lee repeatedly provided a username and password that did not belong to him, but rather belonged to two actual authorized users, thereby falsely representing to CoStar that he was authorized to access the database. The specific dates and times of Lee's fraudulent misrepresentations are set forth in the attached Exhibit B.

43. Every individual who seeks access to CoStar's database also acknowledges that by clicking "Log In," he or she accepts CoStar's Terms of Use (attached as Exhibit C).³ CoStar provides a link to its Terms of Use on the Log In page for ease of reference.

44. In large and clear text at the top of CoStar's Terms of Use is the following disclaimer: "YOUR USE OF THIS WEB SITE CONSTITUTES YOUR AGREEMENT TO BE BOUND BY THESE TERMS AND CONDITIONS OF USE." (Ex. C.)

45. Individuals using CoStar's database further "agree to be legally bound by the terms and conditions" and that the terms and conditions "constitute a legal contract between you and CoStar." Users of the database further acknowledge that they have "the right, power and authority to agree to and be bound by the[] Terms of Use" and that if they "do not agree to the Terms of Use, or if [they] do not have the right, power, and authority to agree to and be bound by the[] Terms of Use, [they] may not use the Site." (Ex. C.)

46. The Terms of Use further provide:

Those portions of the Product⁴ that may be accessed by the general public and that do not require any use of Passcodes (as defined below) or facial recognition authentication are referred to as the 'Non-Passcode Protected Product.' *Those*

³ The 2018 Terms of Use (Exhibit C) are substantively identical to the Terms of Use in effect in 2017. Any differences between the 2017 and 2018 Terms of Use are immaterial to this Complaint.

⁴ CoStar defines "Product" as including its "Site, Content, Database, Information, Software and any portion of the foregoing, including any derivatives, adaptations, successors, updates or modifications provided thereto and any information derived from the use of the Database, including as a result of the verification of any portion of the Information." (Ex. C.)

1 *portions of the Product that require use of Passcodes ... are available only to*
 2 *individuals or entities ('CoStar Clients'), or those acting through them, who enter*
 3 *into a License Agreement (as defined below) with CoStar that authorizes access to*
 4 *such CoStar service are referred to as the 'Passcode Protected Product.'*

5 * * * * *

6 Only Authorized Users (defined below) for a Passcode Protected Product may
 7 access such product and they may access it solely using the user name, password
 8 (collectively, the 'Passcodes') [registered with CoStar]

9 * * * * *

10 An 'Authorized User' is defined as an individual (a) employed by a CoStar Client
 11 or an Exclusive Contractor (as defined below) of a CoStar Client at a site
 12 identified in the License Agreement, and (b) who is specified in the License
 13 Agreement as a user of a specific Passcode Protected Product and represented by
 14 the Client to be an employee or Exclusive Contractor of the Client.

15 (Ex. C (emphasis added).)

16 47. The Terms of Use also prohibit certain types of conduct including:

17 Access[ing] any portion of a Passcode Protected Product unless you are an
 18 Authorized User for such Passcode Protected Product using the Passcodes
 19 assigned to you by CoStar to access the components and services of the Passcode
 20 Protected Product that your License Agreement authorizes you to access, subject
 21 to the terms contained therein and in these Terms of Use.

22 (Ex. C.)

23 48. The Terms of Use emphasize the proprietary nature of the information contained
 24 in CoStar's database:

25 The information, data, text, software, photographs, images, graphics,
 26 organization, layout, design, and other content contained on or provided through
 27 this Site (collectively, the 'Content') are proprietary to CoStar and its licensors,
 28 and are protected by copyright and other Canadian and international intellectual
 property rights, laws and treaties.

[User] acknowledge[s] that the Software, Database, Content, Information,
 Passcode Protected Product, Non-Passcode Protected Product, and Product
 constitute the valuable property and confidential copyrighted information of
 CoStar and its licensors.

1 (Ex. C.)

2 49. Because CoStar's database contains valuable proprietary content, the Terms of
3 Use prohibit users from copying or exporting any portion of the information contained therein:

4 [User] shall not ... [s]tore, copy or export any portion of the Product into any
5 database or other software, except as expressly set forth in the Permitted Uses
6 above.

7 (Ex. C.)

8 50. Each time Lee logged into CoStar's database, he was not (and knew that he was
9 not) an Authorized User; yet he accessed a Passcode Protected Product. Lee did not simply
10 access and use CoStar, however; he also exported portions of the product to his own systems,
11 including CoStar's copyrighted photographs, for Defendants' own benefit, and for the benefit of
12 their clients.

13 51. The infringed photographs are identified in the attached as Exhibit D. CoStar
14 owns the exclusive rights in each of the infringed photographs in Exhibit D and has validly
15 registered each of the photographs with the United States Copyright Office either before the acts
16 of infringement or within three months of its first publication. Lee copied, printed, distributed,
17 or republished each of these copyrighted photographs without authorization.

18 52. On at least two of the days that Lee logged into CoStar using Chang's credentials
19 (January 14, 2018 and February 15, 2018), he printed property listings containing CoStar-
20 copyrighted photographs. Those listings were all commercial, multi-tenant properties—real
21 estate that, on information and belief, a self-described specialist in “tenant representation” would
22 be interested in. They included the following:

631–645 Foothill Boulevard
La Canada Flintridge, California 91011



11401–11421 South Street
Cerritos, California 90703



The photographs, along with their registration information, are identified in Exhibit D.

53. It is unsurprising that Lee would print material from CoStar's database. The database's users often do so because the information CoStar researches, curates, and updates is vital to a real estate broker's day-to-day business, and it is efficient for a broker to create and use hard copies of CoStar's information and photographs.

54. Not only did Lee know he was accessing CoStar's information without authorization, he also was on notice and aware that he was stealing copyright-protected content. The Terms of Use specifically alert individuals who log into the database that information contained in the database is protected by copyright laws. CoStar is also well known in the industry for taking steps to protect its copyrighted images. On information and belief, both Lee and NegotiateLease.com profited from this infringement.

II. At Great Effort and Expense, CoStar Endeavors to Protect its Intellectual Property From Unauthorized Users Like Defendants.

55. Due in part to the type of brazen misconduct at issue here, CoStar has taken extensive measures to protect its intellectual property and to prevent unauthorized access to its products.

56. CoStar carefully structures its license agreements with subscribers to ensure that all licensees have a clear duty to maintain the confidentiality of CoStar's proprietary information.

57. Access to CoStar's subscription database is also password protected. CoStar requires each licensed user to maintain his or her own individual password, and prohibits them from sharing these credentials with any other individual. And it has created its own two-factor authentication system for logging into the CoStar database.

58. CoStar also employs a number of third-party products to protect against unauthorized access including, but not limited to, firewalls, anti-virus programs, and anti-malware programs.

59. CoStar is constantly implementing new security procedures to protect its most valuable resources—its professionally-researched commercial real estate information—at a significant cost. Efforts (like Defendants') to circumvent these technological safeguards

1 significantly increase these costs.

2 60. In addition to its state-of-the-art anti-piracy technology, CoStar operates its own
3 anti-piracy program which includes monitoring suspicious activity and unauthorized uses of its
4 subscription database. That program—which caught the misconduct at issue—is also costly to
5 administer.

6 61. CoStar has taken such extensive measures to protect its intellectual property
7 because it derives significant economic value from the fact that the information in its database is
8 not generally or readily ascertainable.

9 62. The benefits that CoStar's products provide to its customers and the market at
10 large are a direct result of the company's efforts—undertaken over decades at a cost of billions
11 of dollars—to research, collect, and create data and images. The protection of proprietary data
12 and copyrighted images—and CoStar's ability to vindicate its rights in that intellectual
13 property—is therefore critically important.

14 **FIRST CLAIM FOR RELIEF**

15 **Computer Fraud and Abuse Act, 18 U.S.C. § 1030**

16 **(Against Defendants)**

17 63. CoStar repeats and realleges each and every allegation set forth above, and
18 incorporates them herein by reference.

19 64. CoStar's computers and servers, located in the United States, are involved in
20 interstate and foreign commerce and communication.

21 65. CoStar licenses its subscription database content for a monthly fee. CoStar
22 controls access to its database by requiring its customers to obtain licenses for each individual
23 employee who intends to access the database. CoStar prohibits those individuals from sharing
24 their unique credentials with any other person.

25 66. In addition, every user of the subscription database or any other CoStar product is
26 subject to CoStar's binding Terms of Use.

27 67. Lee knowingly, and with intent to defraud, gained unauthorized access to
28

1 CoStar's computers and servers for the purpose of extracting CoStar's proprietary data, in
2 violation of CoStar's binding Terms of Use.

3 68. Lee knew that CoStar required customers to purchase a subscription in order to
4 access CoStar's proprietary database. Lee nevertheless gained unauthorized access to CoStar's
5 database using log-in credentials belonging to an authorized user. Lee knew that he was not
6 authorized to access CoStar's subscription database using credentials that did not belong to him.

7 69. Lee's repeated unauthorized access of CoStar's computers and servers allowed
8 Lee to access, obtain, and use CoStar's contractually protected proprietary information involving
9 interstate communication, in violation of 18 U.S.C. § 1030.

10 70. NegotiateLease.com is liable for Lee's unauthorized access of CoStar's computers
11 and servers and use of CoStar's contractually protected proprietary information involving
12 interstate communication.

13 71. On information and belief, Lee is the owner and sole person in control of
14 NegotiateLease.com. Further, Negotiate Lease derived a direct financial benefit from Lee's
15 unlawful activities.

16 72. Alternatively, and on information and belief, NegotiateLease.com is liable for
17 Lee's unauthorized access to CoStar's computers and servers and use of CoStar's contractually
18 protected proprietary information involving interstate communication because Lee acted within
19 the scope of his employment, NegotiateLease.com has the right and ability to supervise and
20 control Lee's unlawful activities, and, at all relevant times, NegotiateLease.com derived a direct
21 financial benefit from Lee's unlawful activities.

22 73. CoStar has suffered over \$5,000 worth of damages and losses over a one-year
23 period, in an amount to be proven at trial. Lee's unauthorized access consumed time and money
24 spent identifying, investigating, and attempting to block and otherwise respond to Lee's
25 unauthorized access, as described throughout this Complaint. Further, Lee's unauthorized access
26 has impaired and corrupted CoStar's efforts to measure and analyze legitimate subscriber traffic.
27 Lee's unlawful conduct undermined the soundness and therefore the value of those data and
28

1 analyses, which are used for multiple business purposes including search engine optimization
2 and search engine marketing.

3 74. CoStar has suffered and will continue to suffer independent, irreparable harm as a
4 result of Lee's continued access to its computers and servers without authorization, which
5 entitles CoStar to injunctive relief.

6 **SECOND CLAIM FOR RELIEF**

7 **California Computer Data Access and Fraud Act, California Penal Code § 502**

8 **(Against Defendants)**

9 75. CoStar repeats and realleges each and every allegation set forth above, and
10 incorporates them herein by reference.

11 76. The California Computer Data Access and Fraud Act ("CDAFA") affords
12 "protection[] to individuals, businesses, and governmental agencies from tampering,
13 interference, damage, and unauthorized access to lawfully created computer data and computer
14 systems." Cal. Pen. Code § 502(e). The CDAFA provides those entities with a private right of
15 action to protect their computer data and systems. *Id.* § 502(e)(1).

16 77. Lee has violated § 502(c)(1) by knowingly accessing and without permission
17 using CoStar's data, computer, computer system, or computer network in order to wrongfully
18 control or obtain money, property, or data.

19 78. Lee has violated § 502(c)(2) by knowingly and without permission taking,
20 copying, and making use of data from CoStar's computers, computer systems, and computer
21 networks.

22 79. Lee has violated § 502(c)(3) by knowingly and without permission using or
23 causing to be used CoStar's computer services.

24 80. Lee has violated § 502(c)(7) by knowingly and without permission accessing and
25 causing to be accessed CoStar's computers, computer systems, and computer networks.

26 81. NegotiateLease.com is liable for Lee's unauthorized access to CoStar's computers
27 and servers and use of CoStar's contractually protected proprietary information.

1 82. On information and belief, Lee is the owner and sole person in control of
2 NegotiateLease.com. Further, Negotiate Lease derived a direct financial benefit from Lee's
3 unlawful activities.

4 83. Alternatively, and on information and belief, NegotiateLease.com is liable for
5 Lee's unauthorized access to CoStar's computers and servers and use of CoStar's contractually
6 protected proprietary information because Lee acted within the scope of his employment,
7 NegotiateLease.com has the right and ability to supervise and control Lee's unlawful activities,
8 and, at all relevant times, NegotiateLease.com derived a direct financial benefit from Lee's
9 unlawful activities.

10 84. Lee had knowledge of his unlawful conduct by, among other things, acquiring and
11 using the credentials of a subscriber to CoStar's subscription database to gain access and use
12 CoStar's subscription database.

13 85. As a direct and proximate result of Lee's unlawful conduct within the meaning of
14 § 502, Lee has caused damage to CoStar, as described herein and including requiring CoStar to
15 take extraordinary actions to monitor its website, in an amount to be proven at trial.

16 86. Pursuant to § 502(e), CoStar is entitled to an injunction, compensatory damages,
17 attorneys' fees, and other equitable relief as prayed for in this Complaint.

18 87. Pursuant to § 502(e), Lee has acted with oppression, fraud and malice toward
19 CoStar, entitling CoStar to an award of punitive damages in an amount sufficient to deter him
20 from future misconduct.

21 **THIRD CLAIM FOR RELIEF**

22 **Copyright Infringement, 17 U.S.C. § 101 *et seq.***

23 **(Against Defendants)**

24 88. CoStar repeats and realleges each and every allegation set forth above, and
25 incorporates them herein by reference.

26 89. Each of CoStar's photographs constitutes an original work of authorship and
27 copyrightable subject matter under the laws of the United States.

1 90. CoStar owns or has exclusive rights to all rights, title, and interest in and to the
2 photographs.

3 91. Lee had and has access to CoStar photographs as a result of his unauthorized
4 access to CoStar's subscription database.

5 92. On information and belief, Lee has copied and reproduced CoStar-copyrighted
6 photographs—including without limitation those copyrighted works identified in Exhibit D
7 hereto—without the consent or authority of CoStar, thereby infringing CoStar's copyrights.

8 93. CoStar owns the exclusive rights in each of the photographs detailed in Exhibit D
9 and has validly registered each of the photographs with the United States Copyright Office either
10 before Defendants' acts of infringement or within three months of its first publication. The
11 registration number for each photograph is set forth in Exhibit D.

12 94. Lee's copies and reproductions are identical and/or substantially similar to
13 CoStar's photographs.

14 95. Lee is directly liable for these acts of infringement in violation of 17 U.S.C. §§
15 106 and 501.

16 96. NegotiateLease.com is secondarily liable for Lee's infringing acts.

17 97. On information and belief, NegotiateLease.com is liable for contributory
18 copyright infringement because it induced, caused, and/or materially contributed to Lee's
19 infringing activities and had knowledge, or reason to know, of Lee's infringing activities.

20 98. On information and belief, NegotiateLease.com is vicariously liable for Lee's
21 infringing activities. NegotiateLease.com has the right and ability to supervise and control Lee's
22 unlawful activities, and, at all relevant times, NegotiateLease.com derived a direct financial
23 benefit from Lee's unlawful activities.

24 99. The infringement of CoStar's rights in each of its copyrighted photographs
25 constitutes a separate and distinct act of infringement.

26 100. Lee's acts of infringement have been willful, intentional, purposeful, and in
27 disregard of CoStar's rights under the Copyright Act. Lee knew his acts were infringing and
28

1 intentionally or recklessly disregarded the law by their conduct.

2 101. CoStar did not authorize Lee's acts.

3 102. CoStar believes that additional instances of Lee's infringement of its copyrighted
4 photographs will be revealed during the discovery process.

5 103. As a result of Lee's willful copyright infringement and NegotiateLease.com's
6 secondary liability, CoStar has been and will continue to be damaged as a direct and proximate
7 result of the infringing acts set forth above, and Defendants have been unjustly enriched by their
8 unlawful infringement of CoStar's copyrighted photographs.

9 104. CoStar is entitled to damages as well as Defendants' profits under 17 U.S.C. §
10 504(b) in an amount to be proven at trial.

11 105. Alternatively, CoStar is entitled to the maximum statutory damages available
12 under 17 U.S.C. § 504(c) in the amount of \$150,000 for the infringement of each CoStar
13 copyrighted work or for such other amount as may be proper under 17 U.S.C. § 504(c).

14 106. CoStar is further entitled to its attorneys' fees and costs pursuant to 17 U.S.C. §
15 505.

16 107. Lee's infringement of CoStar's exclusive rights and NegotiateLease.com's related
17 conduct has caused CoStar irreparable injury. Unless restrained and enjoined, Defendants will
18 continue to infringe CoStar's copyrighted works. As CoStar's remedies at law are inadequate,
19 CoStar is also entitled to injunctive relief as provided by 17 U.S.C. § 502 and an order
20 impounding or destroying any and all infringing materials pursuant to 17 U.S.C. § 503.

21 **FOURTH CLAIM FOR RELIEF**

22 **Fraud**

23 **(Against Defendants)**

24 108. CoStar repeats and realleges each and every allegation set forth above, and
25 incorporates them herein by reference.

26 109. Lee repeatedly logged into CoStar's subscription database. By doing so, Lee
27 represented that he accepted CoStar's Terms of Use.

1 110. By accepting CoStar's Terms of Use, Lee represented to CoStar he would not
2 access any portion of a Passcode Protected Product unless he was an Authorized User for such
3 Passcode Protected Product (as those terms are defined in the Terms of Use).

4 111. Lee's representations to CoStar that he would abide by its Terms of Use were
5 false. Every time Lee accessed CoStar's subscription database and every time he entered the
6 credentials of an Authorized User and clicked "Log In," he intended to, and did, violate the
7 Terms of Use.

8 112. By using the credentials of an Authorized User, Lee concealed from CoStar his
9 true intent to violate the Terms of Use, and also misrepresented and hid his identity when gaining
10 access to and using CoStar's subscription database.

11 113. CoStar relied on Lee's representations and omissions by providing the
12 information and data available on its subscription database to Lee, which included allowing Lee
13 to view and download information on various properties.

14 114. Each of Lee's fraudulent representations and omissions is set forth in Exhibit B.

15 115. NegotiateLease.com is liable for Lee's fraudulent representations and omissions.

16 116. On information and belief, Lee is the owner and sole person in control of
17 NegotiateLease.com. Further, Negotiate Lease derived a direct financial benefit from Lee's
18 unlawful activities.

19 117. Alternatively, and on information and belief, NegotiateLease.com is liable for
20 Lee's fraudulent representations and omissions because Lee acted within the scope of his
21 employment, NegotiateLease.com has the right and ability to supervise and control Lee's
22 unlawful activities, and, at all relevant times, NegotiateLease.com derived a direct financial
23 benefit from Lee's unlawful activities.

24 118. As a result of this fraudulent misconduct, CoStar has been damaged in an amount
25 to be proven at trial.

FIFTH CLAIM FOR RELIEF

Breach of Contract

(Against Defendants—In the Alternative to the Fourth Claim for Relief)

119. CoStar repeats and realleges each and every allegation set forth above, and incorporates them herein by reference.

120. Every time Lee logged into CoStar's database, Lee agreed to be bound by CoStar's Terms of Use.

121. The Terms of Use provided that only individuals who entered into a License Agreement with CoStar—and thus were Authorized Users—could access CoStar's Passcode Protected Product (as those terms are defined in the Terms of Use).

122. The Terms of Use prohibit anyone who is not an Authorized User from accessing Passcode Protected Product.

123. The Terms of Use also prohibit anyone who is not an Authorized User from storing, copying or exporting any portion of the Product into any database or other software.

124. CoStar has performed all of the conditions, covenants, and promises required on its part to be performed in accordance with the terms and conditions of CoStar's Terms of Use.

125. Lee breached CoStar's Terms of Use by, among other things, accessing CoStar's Passcode Protected Product and storing, copying, or exporting any portion of the Product into any database or other software when he was not an Authorized User.

126. NegotiateLease.com is liable for Lee's breaches of CoStar's Terms of Use.

127. On information and belief, Lee is the owner and sole person in control of NegotiateLease.com. Further, Negotiate Lease derived a direct financial benefit from Lee's unlawful activities.

128. Alternatively, and on information and belief, NegotiateLease.com is liable for Lee's breaches of CoStar's Terms of Use because Lee acted within the scope of his employment, NegotiateLease.com has the right and ability to supervise and control Lee's unlawful activities, and, at all relevant times, NegotiateLease.com derived a direct financial benefit from Lee's

1 unlawful activities.

2 129. As a result of this unlawful conduct, CoStar has been damaged in an amount to be
3 determined at trial.

4 **SIXTH CLAIM FOR RELIEF**

5 **Unjust Enrichment**

6 **(Against Defendants—In the Alternative to the Fifth Claim for Relief)**

7 130. CoStar repeats and realleges each and every allegation set forth above, and
8 incorporates them herein by reference.

9 131. In the alternative to any claim for breach of contract, and to the extent there is an
10 absence of a binding agreement between the parties or such agreement is ineffective, Defendants
11 are liable to CoStar under the doctrine of unjust enrichment.

12 132. CoStar expects that any user of its database is an Authorized User (as that term is
13 defined in the Terms of Use) who pays CoStar's subscription fees to access its database.

14 133. Each time Lee logged in and used the CoStar database, he willingly accepted a
15 benefit that he knew or should have known he did not pay for.

16 134. By accessing the CoStar database, Lee received the benefit of a CoStar
17 subscription without paying CoStar for that access and had knowledge of the benefits CoStar
18 conferred upon him as a result of such unlawful access.

19 135. Lee voluntarily accepted, retained and received the benefits CoStar provided and
20 was enriched by those benefits.

21 136. Lee's acceptance and retention of these benefits under the circumstances make it
22 inequitable for him to retain the benefit without payment of the value to CoStar.

23 137. NegotiateLease.com is liable for Lee's unlawful conduct.

24 138. On information and belief, Lee is the owner and sole person in control of
25 NegotiateLease.com. Further, Negotiate Lease also derived a direct financial benefit from Lee's
26 unlawful activities.

27 139. Alternatively, and on information and belief, NegotiateLease.com is liable for
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Lee's unlawful conduct because Lee acted within the scope of his employment, NegotiateLease.com has the right and ability to supervise and control Lee's unlawful activities, and, at all relevant times, NegotiateLease.com derived a direct financial benefit from Lee's unlawful activities.

140. Had CoStar known the true facts, it would have expected remuneration from Defendants at the time the benefit was conferred.

141. CoStar is entitled to recover from Defendants the value of the benefit conferred.

142. Defendants have been unjustly enriched at the expense of CoStar, and as a result CoStar is entitled to an award reflecting the value of the services the Defendants obtained and the benefits they received from those services.

PRAYER FOR RELIEF

WHEREFORE, CoStar prays for judgment against Defendants as follows:

A. For an award pursuant to 18 U.S.C. § 1030(g) of compensatory damages;

B. For an award pursuant to California Penal Code § 502(e) of compensatory damages;

C. For an award pursuant to 17 U.S.C. § 504(b) of compensatory damages and Defendants' profits or, as CoStar may elect at any time before final judgment is rendered, statutory damages pursuant to 17 U.S.C. § 504(c);

D. For an award of damages and disgorgement arising from Lee's breaches of CoStar's Terms of Use, and the misappropriation of CoStar material as a result of those breaches or, in the alternative, for an award of damages arising from Lee's materially false representations and the unauthorized access to CoStar's proprietary database that resulted from such misrepresentations; and for an award reflecting the value of the services Defendants obtained and disgorging all profits, benefits, and other compensation obtained by Defendants;

E. For a permanent injunction (1) barring Defendants' continued unauthorized access to CoStar's computers and servers; (2) barring Defendants from sharing or distributing any information acquired from CoStar's database with any other organization or individual; and

1 (3) ordering Defendants to purge all CoStar content from any computers, databases, or servers
2 that they use or maintain;

3 F. For further permanent injunctive relief as deemed necessary by the Court;

4 G. For an award of CoStar's costs, including its reasonable attorneys' fees and
5 disbursements of counsel, as permitted by law;

6 H. For prejudgment and post-judgment interest according to law;

7 I. For exemplary damages to the extent available; and

8 J. For such further and additional relief as the Court may deem just and proper.

9 **DEMAND FOR A JURY TRIAL**

10 CoStar demands a trial by jury on all issues properly tried to a jury.
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1 Dated: October 3, 2018

Respectfully submitted,

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3 By: /s/ Williams Faulkner

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18 *Attorneys for CoStar Group, Inc. and CoStar Realty*
19 *Information, Inc.*

EXHIBIT A

DECLARATION

I, Frank B. Chang, declare, under the penalty of perjury, as follows:

1. I currently work at AMCAL Multi-Housing, Inc. (AMCAL) where I have been employed since November 2015.
2. I have recently become aware of how seriously CoStar takes its intellectual property rights. Among other things, CoStar has Terms of Use that prevent an authorized user from sharing his or her credentials with an unauthorized user. I am an authorized user of CoStar's subscription database through an account provided to me by my employer, AMCAL.
3. I provided my account credentials to a personal friend, Mr. Joon Lee, who works at NegotiateLease.com, on several occasions. I have been informed by CoStar that Mr. Lee is a former CoStar subscriber.
4. I now realize that sharing my credentials was a breach of AMCAL's contract with CoStar.
5. I also understand that should I share AMCAL's CoStar account credentials in the future, AMCAL may be subject to significant damages.
6. I recognize that any such credential sharing by me, which would allow unauthorized access to CoStar by third parties, puts AMCAL's CoStar license at risk.
7. I certify that I executed this declaration voluntarily and of my own free will.
8. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 30, 2018.

A handwritten signature in black ink, appearing to read 'F B Chang', written over a horizontal line.

Frank B. Chang
VP, AMCAL Multi-Housing, Inc.

EXHIBIT B

EXHIBIT B**Lee Device 1: 32 Successful Logins**

IP Address	Login Credentials Used	Login Date	Login Time
172.91.6.173	Frank Chang	12/30/2017	1:02 am
104.175.63.143	Frank Chang	1/10/2018	3:37 am
104.175.63.143	Frank Chang	1/14/2018	9:10 pm
104.175.63.143	Frank Chang	1/17/2018	3:44 am
104.175.63.143	Frank Chang	1/17/2018	6:27 am
104.175.63.143	Frank Chang	1/24/2018	6:42 pm
104.175.63.143	Frank Chang	1/25/2018	5:12 am
104.175.63.143	Frank Chang	1/28/2018	7:48 pm
104.175.63.143	Frank Chang	1/31/2018	6:06 pm
104.175.63.143	Frank Chang	2/5/2018	12:27 am
104.175.63.143	Frank Chang	2/6/2018	12:17 am
104.175.63.143	Frank Chang	2/6/2018	6:39 am
104.175.63.143	Frank Chang	2/8/2018	9:13 pm
104.175.63.143	Frank Chang	2/10/2018	9:05 pm
104.175.63.143	Frank Chang	2/15/2018	4:48 am
104.175.63.143	Frank Chang	2/22/2018	1:49 am
104.175.63.143	Frank Chang	2/22/2018	5:17 pm
104.175.63.143	Frank Chang	2/22/2018	9:15 pm
104.175.63.143	Frank Chang	2/24/2018	9:54 pm
104.175.63.143	Frank Chang	2/26/2018	4:15 am
104.175.63.143	Frank Chang	2/28/2018	8:28 pm
104.175.63.143	Nina Moon	6/27/2018	7:48 pm
104.175.63.143	Nina Moon	7/9/2018	6:45 pm
104.175.63.143	Nina Moon	8/3/2018	12:17 am
104.175.63.143	Nina Moon	8/7/2018	12:33 am
104.175.63.143	Nina Moon	8/7/2018	6:44 pm
104.175.63.143	Nina Moon	8/9/2018	9:24 pm

EXHIBIT B**Lee Device 1: 32 Successful Logins**

IP Address	Login Credentials Used	Login Date	Login Time
104.175.63.143	Nina Moon	8/10/2018	12:37 pm
104.175.63.143	Nina Moon	8/13/2018	9:21 pm
104.175.63.143	Nina Moon	8/21/2018	9:36 pm
104.175.63.143	Nina Moon	8/27/2018	9:18 pm
104.175.63.143	Nina Moon	8/30/2018	5:52 pm

Lee Device: 3 Successful Logins

IP Address	Login Credentials Used	Login Date	Login Time
104.175.63.143	Frank Chang	2/22/2018	9:35 pm
104.175.63.143	Frank Chang	2/23/2018	8:57 pm
67.201.11.77	Nina Moon	6/11/2018	11:39 pm

EXHIBIT C

(//)



Terms of Use

YOUR USE OF THIS WEB SITE CONSTITUTES YOUR AGREEMENT TO BE BOUND BY THESE TERMS AND CONDITIONS OF USE.

Acceptance of Terms of Use

This site (the "Site") is operated by CoStar Realty Information, Inc. and its affiliates (collectively, "CoStar" or "we" or "us"). By accessing or using this Site (or any part thereof), you agree to be legally bound by the terms and conditions that follow (the "Terms of Use") as we may modify them from time to time. These Terms of Use apply to your use of this Site, including the CoStar services offered via the Site. They constitute a legal contract between you and CoStar, and by accessing or using any part of the Site you represent and warrant that you have the right, power and authority to agree to and be bound by these Terms of Use. If you do not agree to the Terms of Use, or if you do not have the right, power, and authority to agree to and be bound by these Terms of Use, you may not use the Site. Notwithstanding anything to the contrary herein, if you and CoStar have entered into a separate written agreement that covers your use of a CoStar service, the terms and conditions of such agreement shall control with respect to such service to the extent they are inconsistent with these Terms of Use.

Purpose of Site

The Site is intended to provide information about commercial real estate and CoStar. The information and services offered on or through this Site are provided solely for general business information, do not constitute real estate, legal, tax, accounting, investment or other professional advice, or an offer to sell or lease real estate, and may not be used for or relied upon for these purposes. No lawyer-client, advisory, fiduciary or other relationship is created by your accessing or using this Site or communicating by way of email or through this Site. You shall not use information and services offered on or

through this Site for personal, family or household purposes or to determine an individual's eligibility for credit, insurance, employment, or government license or benefit.

Services

The information, data, text, software, photographs, images, graphics, organization, layout, design, and other content contained on or provided through this Site (collectively, the "Content") are proprietary to CoStar and its licensors, and are protected by copyright and other Canadian and international intellectual property rights, laws and treaties. The Content includes proprietary databases (the "Database") of commercial real estate information, which, by way of example, include information, text, photographic and other images and data contained therein (collectively, the "Information") and the proprietary organization and structures for categorizing, sorting and displaying such Information, and the related software ("Software"). The Site, Content, Database, Information, Software and any portion of the foregoing, including any derivatives, adaptations, successors, updates or modifications provided thereto and any information derived from the use of the Database, including as a result of the verification of any portion of the Information, are collectively referred to herein as the "Product".

Those portions of the Product that may be accessed by the general public and that do not require any use of Passcodes (as defined below) or facial recognition authentication are referred to as the "Non-Passcode Protected Product". Those portions of the Product that require use of Passcodes and, if applicable, facial recognition authentication for access and are available only to individuals or entities ("CoStar Clients"), or those acting through them, who enter into a License Agreement (as defined below) with CoStar that authorizes access to such CoStar service are referred to as the "Passcode Protected Product".

The Passcode Protected Product includes, for example, the CoStar Property Professional®, CoStar COMPS Professional®, and CoStar Tenant® services as well as the CoStar COMPS Express®, CoStar Property Express®, CoStar Listings Express®, and Showcase.com® (Showcase.com (<http://www.showcase.com/>)) services. CoStar utilizes registered and unregistered trademarks protected by United States, Canadian and other laws. A "License Agreement" is defined as either (i) a written and signed contract between a CoStar Client and CoStar that authorizes access to a CoStar service, or (ii) an online contract between the CoStar Client and CoStar that is formed by online registration and acceptance of these Terms of Use or other online contract established by CoStar and that authorizes access to a CoStar service.

Only Authorized Users (defined below) for a Passcode Protected Product may access such product and they may access it solely using the user name, password (collectively, the "Passcodes") and, if required by CoStar, facial recognition authentication. CoStar may use the Passcode and, if required by CoStar, facial recognition authentication as the means to authenticate your identity when you access and use the Passcode Protected Product. As part of the facial recognition authentication, you must register your internet-capable, camera-ready mobile device with CoStar, which requires you to permit CoStar to take an initial photograph of your face through your device's camera. Thereafter, each time you access the Passcode Protected Product, you agree to permit CoStar to take a photograph of your face through your device's camera for CoStar to authenticate. CoStar may store any photographs or other files you submit in its systems indefinitely and use them for the purpose of Passcode Protected Product authentication. CoStar is under no obligation to confirm the actual identity or authority of any party accessing the Passcode Protected Product under your Passcode or other authentication method. An Authorized User will maintain the confidentiality of his/her Passcode and may not share his/her Passcodes with any other person, nor may an Authorized User allow any other person to use or have access to his/her Passcodes. You agree to notify Steven Williams, Asst. Director of CoStar Group, Inc., via email at swilliams@costar.com (mailto:swilliams@costar.com) or via telephone at 888-226-7404 immediately of any unauthorized use of any Passcode or other breach of security.

Unauthorized attempts to (i) defeat or circumvent Passcodes or other security features (e.g., facial recognition authentication), (ii) use the Site or the Product for other than intended purposes, or (iii) obtain, alter, damage or destroy information or otherwise to interfere with the system of its operation are not permitted and may result in a loss of access to the Passcode Protected Product. Evidence of such acts may also be disclosed to law enforcement authorities and result in criminal prosecution under the laws of the United States, Canada or such other jurisdictions as may apply.

An "Authorized User" is defined as an individual (a) employed by a CoStar Client or an Exclusive Contractor (as defined below) of a CoStar Client at a site identified in the License Agreement, and (b) who is specified in the License Agreement as a user of a specific Passcode Protected Product and represented by the Client to be an employee or Exclusive Contractor of the Client. An "Exclusive Contractor" is defined as an individual person working solely for the CoStar Client and not another company with real estate information needs or for themselves and performing substantially the same services for such CoStar Client as an employee of such CoStar Client. CoStar's issuance of a Passcode shall not be construed as a confirmation or admission by CoStar that the person receiving the Passcode qualifies as an Authorized User.

Free Trial

From time to time, in CoStar's sole discretion, CoStar may offer a free trial period ("Free Trial") to certain individuals ("Free Trial Participant") chosen by CoStar to participate in the free trial. CoStar will specifically notify the Free Trial Participants of their eligibility to participate in the Free Trial. Unless terminated sooner by CoStar, the Free Trial shall last for the length of time specified in the email from CoStar that distributes Passcodes to the Free Trial Participant or in any other notification to the Free Trial Participant by CoStar. The terms set forth in that email or notification, combined with these Terms of Use, shall constitute a License Agreement between CoStar and the Free Trial Participant relating to such individual's access to and use of the associated Passcode Protected Product being offered through the Free Trial. During the Free Trial the Free Trial Participant shall be considered an Authorized User and a CoStar Client (as defined in these Terms of Use) and may use the Passcode Protected Product during the Free Trial subject to and solely in accordance with the terms outlined in such License Agreement relating to the Free Trial (which includes these Terms of Use).

Permitted Uses

Subject to the provisions in these Terms of Use, you may use the Non-Passcode Protected Product (or, if you are an Authorized User, subject to the provisions in your License Agreement and these Terms of Use, you may use the applicable Passcode Protected Product), in the ordinary course of your business for:

- (1) Your internal research purposes;
- (2) Providing information regarding a limited number of particular properties and market trends to your clients and prospective clients;
- (3) Marketing properties;
- (4) Supporting your valuation, appraisal or counseling regarding a specific property; and
- (5) Creating periodic general market research reports for in-house use or for clients' or prospective clients' use, provided that such reports do not contain building-specific or tenant-specific Information and are not commercially or generally distributed.

Subject to the provisions in your License Agreement and these Terms of Use, you may print Information or copy Information into word processing, spreadsheet and presentation programs (or other software programs with the

express written consent of CoStar), so long as the level of Information being printed or copied is reasonably tailored for your purposes, insubstantial and used in compliance with these use and copying provisions.

Notwithstanding the foregoing, the Information you access through the "Free Building Lookup" feature on this Site may only be viewed by you for your individual, non-commercial use while visiting this Site.

Prohibited Uses

You shall not, except (i) as may be expressly set forth above under "Permitted Uses" and (ii) to the extent necessary to integrate commercial property listings within CoStar's commercial real estate marketing website available through CoStar Showcase®, (a) distribute, disclose, copy, reproduce, communicate to the public by telecommunication, make available, display, publish, transmit, assign, sublicense, transfer, provide access to, use, rent or sell, directly or indirectly (including in electronic form) any portion of the Product, or (b) modify, adapt or create derivative works of any portion of the Product.

Notwithstanding anything to the contrary herein, you shall not:

(1) Access any portion of a Passcode Protected Product unless you are an Authorized User for such Passcode Protected Product using the Passcodes assigned to you by CoStar to access the components and services of the Passcode Protected Product that your License Agreement authorizes you to access, subject to the terms contained therein and in these Terms of Use;

(2) Access or use any portion of the Product if you are a direct or indirect competitor of CoStar, nor shall you provide, disclose or transmit any portion of the Product to any direct or indirect competitor of CoStar (by way of example, a "direct or indirect competitor" of CoStar includes, but is not limited to, Internet listing services or other real estate information services and employees, independent contractors and agents of such services);

(3) Provide your Passcode or otherwise provide access to a Passcode Protected Product to any individual other than yourself, including by providing the results of queries of or reports generated from a Passcode Protected Product to a person who is not a client or prospective client.

(4) Use or distribute any Information from the Product, including Information that has been verified or confirmed by you or anyone else, to directly or indirectly create or contribute to the development of any database or product;

(5) Modify, merge, decompile, disassemble, scrape, translate, decode or reverse engineer any portion of the Product, or use any data mining, gathering or extraction tool, or any robot, spider or other automatic device or manual

process, to monitor or copy any portion of the Product or the data generated from it;

(6) Use, reproduce, publish or compile any portion of the Product for the purpose of selling or licensing any portion of the Product or making any portion of the Product publicly available;

(7) Store, copy or export any portion of the Product into any database or other software, except as expressly set forth in the Permitted Uses above;

(8) Upload, post or otherwise publish any portion of the Product on, or provide access to any portion of the Product through, the Internet, any bulletin board system, any other electronic network, any data library, any listing service or any other data sharing arrangement, except that you may e-mail a report containing Information that complies with the Permitted Use provisions set forth above to a limited number of your clients and prospective clients;

(9) Upload, post, e-mail, make available or otherwise transmit or communicate to the public by telecommunication any information, data, text, software, photographs, images, graphics, or other content to or through the Product, or use any portion of this Product in a manner, that:

(a) is unlawful, threatening, abusive, harmful, libelous, tortious, defamatory, false, misleading, obscene, vulgar, racially or ethnically offensive, invasive of privacy or publicity rights, inclusive of hate speech, or would constitute or encourage a criminal offence, violate the rights of any party, give rise to liability or violate any local, provincial, federal or international law, intentionally or unintentionally, or is otherwise objectionable;

(b) infringes any patent, copyright, trademark, trade secret, or other proprietary right of any party or violates the privacy or publicity rights of any party;

(c) constitutes unlawful advertising or fraudulent, unfair or deceptive practices, "spam," or any other form of unlawful solicitation in the United States, Canada or other country, including the Kansas non-solicitation law (K.S.A. 45-230), which, with limited exceptions, prohibits anyone from knowingly selling, giving or receiving, for the purpose of selling or offering for sale any property or service to persons listed therein, any list of names and addresses contained in or derived from Kansas public records; or

(d) contains software viruses or any other computer code, files or programs that are designed to or have the capability to interrupt, modify, damage, improperly access, disable, destroy or limit the functionality of the Product or

servers or networks connected thereto or the activities of other users of the Product or of any computer software or hardware or telecommunications equipment.

(10) Except as set forth in a License Agreement, you acknowledge and agree that you do not have a right to make available, communicate to the public by telecommunication, transmit under any law, contractual obligation (i.e., nondisclosure agreement) or fiduciary duty any information about the Product.

(11) Impersonate any person or entity, including but limited to an Authorized User, or falsely state or otherwise misrepresent any registration information, or otherwise disguise the origin of any information, data, text, software, photographs, images, graphics, or other content posted on or transmitted through the Product; and

(12) Use any portion of the Product to encourage or engage in illegal activity, stalk or harass another person, or violate these Terms of Use or any applicable local, state, provincial, national or international law, rule, regulation or ordinance, including without limitation, state, provincial and local real estate practice, spam or privacy laws.

Fees

You are responsible for the timely payment of any fees incurred by your use of components and services available on the Site or via links to other web sites, and all taxes applicable to your use of the Product.

SUBJECT TO THE TERMS OF ANY LICENSE AGREEMENT BETWEEN COSTAR AND YOUR COMPANY, WE RESERVE THE RIGHT, AT ANY TIME AND FROM TIME TO TIME, TO PROSPECTIVELY CHANGE THE NATURE AND AMOUNT OF FEES CHARGED FOR ACCESS TO THE PRODUCT OR ANY OF THE COMPONENTS OR SERVICES AVAILABLE ON THE PRODUCT, AND THE MANNER IN WHICH SUCH FEES ARE ASSESSED.

If you are accessing the Passcode Protected Product, you agree: (1) to provide CoStar with accurate and complete registration and billing information and to promptly update such information in the event it changes; and (2) to pay any applicable license fees or other fees incurred by your use of the Passcode Protected Product.

With respect to the online registration for subscribing to market commercial real estate listings through CoStar Showcase® (Showcase.com (<http://www.showcase.com/>)), you agree to a recurring monthly charge on your credit card until canceled by you upon 30 days written notice to CoStar.

Termination and Interruption of Access

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If you are a CoStar Client, your License Agreement sets forth an initial term that expires on a specified date and that may automatically renew for a specified length. Following the effective date of termination or non-renewal of your License Agreement, you shall cease using any portion of the Product. In addition, you shall permanently delete or destroy all portions of the Product within your possession, custody or control and, upon written request from CoStar, certify, in writing, your compliance with this provision.

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